

**SAVE THE CHILDREN (SALES) LIMITED
DIRECTORS' REPORT AND ACCOUNTS
31 MARCH 1996**

Company number: 875945



SAVE THE CHILDREN (SALES) LIMITED

REPORT OF THE DIRECTORS

The directors throughout the year were:

M Bett
B K Peppiatt

The directors present their report and the audited accounts for the year ended 31 March 1996

Financial results

The profit for the year amounted to £686,810 (1995: £1,798,091) and was paid under deed of covenant of £686,810 to the Save The Children Fund. There were no transfers to reserves, or dividends paid or proposed (1995: nil).

Review of the business

The principal activity of the company has remained unchanged during the year. The company raises funds for The Save the Children Fund by means of trading activities and through commercial promotions in conjunction with corporate supporters of Save the Children Fund. The trading turnover during the year was £6,207,927 (1995: £6,978,307). This 11% decrease in turnover is due to two reasons, Business House card sales has fallen due to high competition from outside sources, mainly other charities. Secondly the end of the 75th year has seen a reduction in Christmas sales.

Total income raised through corporate promotions was £915,171 (1995: £2,123,928)

Directors responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the results for the period. In preparing those financial statements, the directors have

- (1) selected suitable accounting policies and then applied them consistently;
- (2) made judgements and estimates that are reasonable and prudent;
- (3) prepared the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Neither of the directors had any interest throughout the year in the shares of the company, or any other group company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution will be submitted at the forthcoming annual general meeting to re-appoint Binder Hamlyn as auditors.

By order of the board

A J Chapman

A J Chapman
Secretary

25 July 1996

REPORT OF THE AUDITORS

to the members of Save The Children (Sales) Limited

We have audited the financial statements on pages 4 to 7 which have been prepared on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

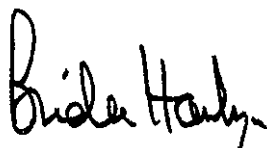
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In accordance with Article 2 of the Articles of Association of the company, we report that to the best of our knowledge and belief, no member of the Council, or other governing body or other persons engaged or concerned in the management of The Save the Children Fund, has entered into or been concerned or interested, directly or indirectly, in any contract with the company, other than a contract which if entered into with The Save the Children Fund would not have involved any infringement of that Fund's Memorandum of Association. All the profits of the company available for distribution as dividend have been paid to The Save the Children Fund and no member of the Council or other governing body or other person engaged or concerned in the management of The Save the Children Fund has held any salaried office or employment in the company.



Binder Hamlyn
Chartered Accountants
Registered Auditors
20 Old Bailey,
London EC4M 7BH

25 July 1996

SAVE THE CHILDREN (SALES) LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1996

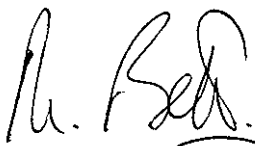
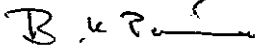
	Notes	1996 £ Promotions	1996 £ Trading	1996 £ Total	1995 £ Total
Turnover	1	915,171	6,207,927	7,123,098	9,102,235
Cost of sales		(212,470)	(3,089,999)	(3,302,469)	(4,028,247)
GROSS PROFIT		702,701	3,117,928	3,820,629	5,073,988
Distribution costs		0	(1,463,541)	(1,463,541)	(1,541,976)
Administrative expenses		(221,538)	(1,302,791)	(1,524,329)	(1,677,242)
OPERATING PROFIT		481,163	351,596	832,759	1,854,770
Interest payable			(145,949)	(145,949)	(56,679)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	2	481,163	205,647	686,810	1,798,091
Amount paid under covenant to parent company		(481,163)	(205,647)	(686,810)	(1,798,091)
RETAINED PROFIT FOR THE YEAR		-	-	-	-

There are no other recognised gains or losses other than those disclosed above.

SAVE THE CHILDREN (SALES) LIMITED
BALANCE SHEET
As at 31 March 1996

	Notes	1996 £	£	1995 £	£
FIXED ASSETS					
Investment in subsidiary	7		2		2
CURRENT ASSETS					
Stocks – finished goods		189,452		191,546	
Debtors	5	982,997		1,530,123	
		<u>1,172,449</u>		<u>1,721,669</u>	
CREDITORS: amounts falling due within one year	6	<u>922,451</u>		<u>1,471,671</u>	
NET CURRENT ASSETS			249,998		249,998
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>250,000</u>		<u>250,000</u>
SHARE CAPITAL					
Authorised, allotted, issued and fully paid £1 ordinary shares			<u>250,000</u>		<u>250,000</u>

Approved by the Board on 25 July 1996

M Bett

BK Peppiatt

SAVE THE CHILDREN (SALES) LIMITED **NOTES TO THE ACCOUNTS**

1 Accounting Policies

(a) Basis of accounting

The accounts are prepared under the historical cost convention and in compliance with UK Statements of Standard Accounting Practice and Financial Reporting Standards.

(b) Stock

Stock has been valued at the lower of cost and net realisable value except that Christmas cards published in previous years are included at a total value of £1.

(c) Turnover

Turnover represents the gross amounts receivable for goods sold and corporate promotions during the year excluding value added tax.

2 Profit on ordinary activities before tax is stated after charging:

	1996 £	1995 £
Auditors' remuneration	16,000	16,000
Interest paid on a loan from the parent company	145,949	56,679
	=====	=====

3 Employees

The average number of employees during the year who were employed in the trading activities of the company was 8 (1995 – 9).

Staff costs during the year amounted to:

	1996 £	1995 £
Wages and salaries	151,996	153,288
Social security costs	13,534	13,856
Pension costs	3,819	3,621
	-----	-----
	169,349	170,765
	=====	=====

4 Directors' emoluments

The directors received no remuneration for services to the company during the year (1995: Nil).

5 Debtors

	1996	1995
	£	£
Due within one year		
Trade debtors	780,675	1,276,628
Value added tax	202,321	253,495
	<u>982,997</u>	<u>1,530,123</u>
	=====	=====

6 Creditors: amounts falling due within one year

	1996	1995
	£	£
Bank Overdraft	0	210,224
Trade creditors	255,812	419,515
Amount due to parent company	78,891	310,978
Other creditors including taxation	571,748	514,954
Accruals	16,000	16,000
	<u>922,451</u>	<u>1,471,671</u>
	=====	=====

7 Investment in subsidiary

The company wholly owns SCF Records Limited, which is registered in England and Wales. The company is itself a wholly owned subsidiary undertaking and it is therefore exempt from the requirement to prepare group accounts under S228 of the Companies Act 1985.

SCF Records Ltd was dormant for the year ended 31 March 1996.

8 Ultimate parent company

The company's ultimate parent is The Save the Children Fund, a charitable company registered in England and Wales, which prepares group accounts. Copies of these group accounts are available from The Save the Children Fund, 17 Grove Lane, London, SE5 8RD.